112.   (Amended) The electronic inventory system of claim 92, wherein at least one of said plurality of RFID tags are manufactured on a flexible substrate.

113.   (Amended) The electronic inventory system of claim 101, wherein at least one of said plurality of RFID tags are manufactured on a flexible substrate.

Please add the following claims:

118.   (New) The system of claim 104, wherein said tag responds to said tag reader within a time slot defined by said plurality of bits.

119.   (New) The system of claim 104, wherein one of said RFID tags includes a sensor.

Remarks

Claim 104 is sought to be amended. Claims 118 and 119 are sought to be added. These changes do not introduce any new matter or raise any new issues requiring further search by the Examiner. Entry of these amendments is therefore respectfully requested. Accordingly, Claim 92-99, 101-104, 106-119 are pending. Based on the above amendments and the following remarks, Applicants respectfully request that the Examiner reconsider and withdraw all outstanding rejections, and that all the pending claims be passed to allowance.

120.   Rejection of Claim 104 under 35 U.S.C. § 102

The Examiner has rejected claim 104 based on Reis *et al.* (EP 0,467,036) under 35 U.S.C. § 102. Applicants have amended claim 104. Reis *et al.* do not disclose a tag reader that interrogates a tag identified by a plurality of bits, wherein the tag reader uses a first plurality of the plurality of (ID) bits during a first read and a second plurality of the plurality of (ID) bits during a second read. The tags described by Reis *et al.* reply to a "hello" signal by transmitting their entire ID code. *See* col. 7, lines 2-28. The claimed tag reader performs

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multiple reads, wherein each read uses a distinct set of bits. This is not disclosed by Reis *et al.* Accordingly, claim 104 is not anticipated by Reis *et al.*

The Examiner also cites and discusses U.S. Patent No. 5,856,788 to Walter *et al.* First, Walter *et al.* do not teach performing multiple reads of a plurality of RFID tags to avoid time slot contention since the tags disclosed by Walter *et al.* do not respond within a time slot. Second, Walter *et al.* also do not disclose a tag reader that interrogates a tag identified by a plurality of bits, wherein the tag reader uses a first plurality of the plurality of (ID) bits during a first read and a second plurality of the plurality of (ID) bits during a second read. Rather, Walter *et al.* interrogates a plurality of tags each having a unique identification using one bit at a time, referred to by Walter *et al.* as "bitwise interrogating." There is no suggestion that a plurality of bits be used to interrogate the tags. Accordingly, claim 104 is not anticipated by Walter *et al.*

Applicants acknowledge that this amendment is after final. However, the proposed amendment to claim 104 was presented to the Examiner via facsimile on December 13, 2002, prior to the mailing of the final Office Action. The only difference is the deletion of the word "passive" from the claim. Accordingly, Applicants respectfully request that the rejection be withdrawn and that amended claim 104 be passed to allowance.

2. *Reasons for Allowance*

The Examiner's indications of allowable subject matter is again far too narrow. Applicants do not acquiesce that patentability resides in the feature identified by the Examiner, particularly given the arguments provided above.

3. *Additional Issues*

The term "passive" has been removed from all pending claims since it is not required for patentability. Applicants respectfully request that this amendment be entered and the pending claims be passed to allowance.

4. Conclusion

All of the Examiner's stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider and withdraw all presently outstanding rejections. The Examiner is invited to call the undersigned at the telephone number indicated below if such a call would facilitate the prosecution of this application.

Respectfully submitted,

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Version with markings to show changes made

In the Claims:

Please amend the claims as follows:

92. (Amended) An automated, real-time electronic inventory system, comprising:

    (A)   a plurality of [passive] radio frequency identification (RFID) tags, wherein each tag is assigned a first permanent identification number and a second permanent identification number, wherein said [passive] RFID tags are configured to receive and transmit signals; and

    (B)   a tag reader having means for transmitting a signal to said [passive] RFID tags and means for resolving contention between multiple RFID tags that respond to said signal;

    (C)   wherein said [passive] RFID tags are configured to receive said signal from said reader, evaluate said signal relative to said first or second permanent identification numbers, and reply to said signal if appropriate.

93. (Amended) The electronic inventory of claim 92, wherein at least one of said plurality of [passive] RFID tags has a sensor; and means for transmitting the contents of said sensor.

95. (Amended) The electronic inventory system of claim 94, wherein each [passive] RFID tag counts said clock signals and when the count is equivalent to said first permanent identification number, transmits its reply to said tag reader.

101. (Amended) An automated, real-time electronic inventory system, comprising:

    (A)   a plurality of [passive] radio frequency identification (RFID) tags, wherein each tag is assigned a plurality of identification numbers, wherein said RFID tags are configured to receive and transmit signals; and

(B)   a tag reader having means for transmitting a signal to said [passive] RFID tags
        and means for resolving contention resolution between multiple RFID tags
        that respond to said signal;

(C)   wherein said RFID tags are configured to receive a signal from said reader,
        evaluate one or more of said plurality of identification numbers, and reply to
        said signal if appropriate.

102.   (Amended) The electronic inventory system of claim 101, wherein said tag reader can
initiate an immediate read of said [passive] RFID tags, a specific RFID tag read, or a timed
broadcast read of said [passive] RFID tags.

104.   (Amended) An automated, real-time electronic inventory system, comprising a
plurality of [passive] RFID tags and a tag reader that performs multiple reads of said
[passive] RFID tags to avoid time slot contention, wherein said tag is identified by a plurality
of bits, wherein said tag reader uses a first plurality of said plurality of bits during a first read
and a second plurality of said plurality of bits during a second read.

109.   (Amended) A method for conducting an electronic inventory of radio frequency
identification tags, the method comprising the steps of:

(A)   transmitting a first signal to a plurality of [passive] radio frequency
        identification (RFID) tags, wherein each tag is assigned a first identification
        number and a second identification number, wherein said RFID tags are
        configured to receive and transmit signals; and

(B)   receiving a reply from said plurality of [passive] RFID tags, said tags
        responding to said first signal based on the value of said first identification
        number;

(C)   resolving contention between multiple RFID tags if there is a conflict between
        at least two of said RFID tags subsequent to said RFID tags responding to said
        first signal, including transmitting a second signal to said plurality of [passive]
        RFID tags.

112. (Amended) The electronic inventory system of claim 92, wherein at least one of said plurality of [passive] RFID tags are manufactured on a flexible substrate.

113. (Amended) The electronic inventory system of claim 101, wherein at least one of said plurality of [passive] RFID tags are manufactured on a flexible substrate.

Please add the following claims:

--118. The system of claim 104, wherein said tag responds to said tag reader within a time slot defined by said plurality of bits.

119. The system of claim 104, wherein one of said RFID tags includes a sensor.- -

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